

## Message Text

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21

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-05 NSAE-00 RSC-01 FAA-00 L-02 SS-15 NSC-05

IO-10 /054 W

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P R 100330Z DEC 74

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC PRIORITY 2488

INFO AMEMBASSY CANBERRA

AMCONSUL SYDNEY

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FOR MEADOWS FROM BROWN

E.O. 11652: N/A

TAGS: EAIR, AS

SUBJECT: CIVAIR: THOUGHTS ON POSSIBLE GOA REACTIONS TO  
POSSIBLE PAN AMERICAN ACTIONS

REF: MELBOURNE 1438

1. SUMMARY: CLARK, PANAM MANAGING DIRECTOR FOR AUSTRALIA, HAS ASKED CONGEN TO ADVISE STATE ON OUR VIEWS AS TO POSSIBLE GOA REACTION TO ANY PAA UNILATERAL MOVE TO REVERT TO PRE-DECEMBER 1 FARES FOR AUSTRALIA-EUROPE EXCURSIONS VIA U.S. PAA HEADQUARTERS IN NEW YORK EXPECTED TO CONTACT STATE TO DISCUSS SUBJECT. ON BALANCE THERE IS NO WAY TO PREDICT DEFINITELY THE DIRECTION GOA MIGHT TAKE IF PAA REVERTS TO THE OLD FARES. IT IS A CALCULATED RISK WHETHER GOA WOULD BE WILLING TO JEOPARDIZE FAIRLY HARMONIOUS RELATIONS WITH US FOR THE SAKE OF QANTAS, BUT SINCE THEY HAVE SHOWN PREVIOUSLY A HARD-HEADED APPROACH WITHOUT CONSIDERING BILATERAL RELATIONS, ODDS ARE IN FAVOR OF SOME SORT OF TOUGH RESPONSE. END SUMMARY.

2. EVEN THOUGH BILATERAL AND SUBSEQUENT CIVAIR AGREEMENTS  
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CLEARLY SPELL OUT RESPONSIBILITIES WHICH HAVE BEEN DISREGARDED

BY GOA, THE ISSUE IS SO COMPLEX THAT PROGNOSTICATION IS DIFFICULT. THE FOLLOWING CONSIDERATIONS DO HAVE A BEARING ON POSSIBLE DEVELOPMENTS. (A) PAN AM HAS ALREADY RECOGNIZED GOA AUTHORITY WHEN THEY IMPLEMENTED NEW FARES. TO REVERT TO OLD FARES NOW WOULD BE MORE HAZARDOUS THAN IF OLD FARES HAD CONTINUED AFTER DECEMBER 1. (B) THERE IS NO WAY OF FORECASTING WHAT GOA MIGHT DO IN FACE OF THIS DEFIANCE. EVEN JONES MUST REALIZE ANY DRASTIC ACTION, SUCH AS CANCELLING OPERATING AUTHORITY, WOULD BRING QUID PRO QUO U.S. RETALIATION. HOWEVER, JONES IN ON RECORD AS BEING VERY TOUGH, EMOTIONAL, AND HOT TEMPERED (EVEN TOWARD HIS OWN CIVIL AIR INDUSTRY). HE HAS ALSO SHOWN ON FREQUENT OCCASIONS A PREDILECTION TO ACT FIRST AND THINK LATER. PRIOR TO BECOMING A MINISTER AND DURING HIS FIRST YEAR OF OFFICE JONES OFTEN TRUMPETED THAT HE WOULD SHOW THE U.S. AND PANAM WHO WAS BOSS IN AUSTRALIA. HOWEVER, HIS INEPT HANDLING OF THE RECENT PILOTS' WAGE CLAIM BROUGHT HIM MUCH CRITICISM AND THIS MIGHT POSSIBLY DAMPEN HIS REACTION TO ANY PANAM MOVE; BUT THERE IS NO COUNTING ON IT. (C) ANOTHER CONSIDERATION, SOMEWHAT "FAR OUT", IS THAT THE GOA MIGHT USE ANY PAA DEFIANCE AS A PRETEXT TO DIVERT PUBLIC ATTENTION FROM AN EVER-INCREASING SPATE OF BAD NEWS: HIGHER PRICES, INCREASING UNEMPLOYMENT, ELECTORAL SETBACKS, ETC. THERE IS A FAIR SHARE OF DOGMATIC, DOCTRINAIRE LEFT-WINGERS IN INFLUENTIAL GOVERNMENT POSITIONS AND IT IS CONCEIVABLE THAT PANAM JUST MIGHT BE MADE A SCAPEGOAT.

3. THEREFORE, TO PREDICT JUST WHAT GOA'S RESPONSE MIGHT BE TO ANY PANAM ATTEMPT TO REVERT TO THE OLD EXCURSION FARES IS RISKY, BUT ODDS ARE THAT IT WILL BE TOUGH.

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